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Approved For Release 2001/05/23 : CIA-RDP80-00473A000300080010-4

PERS 77-2465

DD/A Registry

77-4217

26 JUL 1977

MEMORANDUM FOR: Director of Central Intelligence
VIA : Acting Deputy Director of Central Intelligence
FROM : Michael J. Malanick
Acting Deputy Director for Administration
SUBJECT : Organizational Development

DD/A Registry

File 04M1-2

REFERENCE : Memo for the Record from [REDACTED] dated 20 May 1977; subject: Establishment of Staff of Internal Organization Development Specialists or Consultants

25X1A

1. Action Requested: This memorandum is prepared in response to reference which refers to an Employee Suggestion and the DDA and Office of Personnel comments thereon. It was sent to you for your consideration.

2. Background:

25X1A [REDACTED] of the Office of Communications, submitted an Employee Suggestion that "the Agency establish a unit to provide diagnostic and consultative services as an internal resource in the areas of organizational development." The suggestion proposed the staff would provide certain services in the "OD" terms of action research, feedback, interpersonal competence acquisition, organizational renewal, conflict management, et al. Two responses to the suggestion were prepared: one from the Office of Personnel, which specifically addressed itself to the establishment of an Organizational Development Staff, and one from the DDA, which pointed out what the Agency is presently doing along OD lines on an ad hoc basis. Neither supported his suggestion for a formal OD Staff. [REDACTED] views 25X1A the two responses as at odds and as evidence that his proposal was submitted to the "wrong forum" and, hence, has prepared reference Memorandum for the Record for your consideration. It was unfortunate that the two responses were sent to [REDACTED] without melding them into a unified reply. The two approaches to the proposal are not at odds; they look at the suggestion from two perspectives.

3. Staff Position:

25X1A The Office of Personnel's response to the suggestion was directed to the proposal for the establishment of an Organizational Development Staff and the belief that such a staff could only successfully function where there

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was centralized Agency or Directorate support for the institutional management objectives of the program, including a commitment of resources. The response included a suggestion that the proposal be referred to the DDA for Directorate level consideration, as a matter of this scope would necessarily require top management decision. The DDA response discussed the general subject of OD and described what the Agency is presently doing, ad hoc, along general OD lines. As noted above, we do not see these responses in conflict but rather as addressing two different aspects of the suggestion, i.e., the establishment of a formal staff devoted to OD and the OTR support presently given to implementing OD concepts on a limited scale. In a subsequent memorandum not sent to [REDACTED] the Director of OTR emphasized the need for strong and continuing management support, the point made in the Office of Personnel reply. 25X1A

There has always been a good deal of mystique surrounding OD, much of it engendered by the language used to describe it. An example is the definition given by the suggestor.

"OD is a long-range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management of organizational culture, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research."

In simpler terms, OD is the systematic manner in which an organization's problems are diagnosed and treated, with the goals of making that organization an ideal one for both management and employees.

Almost any literature on the subject of OD emphasizes its only chance of success is the solid commitment to OD principles at all levels of management and of employees and includes an equal commitment of time, personnel and finances. Attached is a copy of an article from the March-April 1977 Personnel publication on Organization Development, which makes the point that time is the greatest stumbling block to the success of the OD effort--and that it takes three to five years before such an effort fully takes hold and changes a work culture. Time, moreover, is only one factor in the implementation of an OD program. An organization requires stability for OD to be effective, and a high degree of mobility, such as exists in the Agency, can easily negate the benefits of an OD program.

Agency records reflect the original suggestion that CIA undertake an Organizational Development Program dates back to 1964. At that time the Agency entered into a contract with [REDACTED] 25X1A

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Austin, Texas for the purchase of the Managerial Grid. The Grid was the first of a six-phase program sponsored [REDACTED] which in its entirety was an OD program. For numerous reasons, mainly time (five years) and funds (\$500,000), the Agency's top management chose not to make the commitment for the total package. We "bought" the first phase only (Grid) and that program has continued as one of the more popular courses given in the Agency. 25X1A

The Office of Training and the Office of Medical Services, Psychological Services Staff, have developed and will, to the extent possible, maintain a low key capability to respond to OD-like requirements should they surface. While there is no capability to initiate OD efforts, assistance in instances where OD promises benefit has been provided. In 1973-74 OTR hired an MBO and OD expert, [REDACTED] His effort in CRS, involving over 70,000 man hours to improve the effectiveness of that organization, is an example of what can be done in-house when internal resources are available and utilized. It also points out the time frame and resources required. 25X1A

As was noted in the OP original comments, OD presents many attractive aspects, apart from the academic viewpoint expressed by the suggestor. We also believe that the establishment of a Staff responsible for OD on a Directorate or Agency level would be a natural step in evolving management concepts. The successful establishment of a formal OD Staff for the purpose of identification, study, analyses, and finally treatment of the problems would, however, require top management support and the provision of the whole package of resources required.

We do not believe the Agency is ready nor in a position to support or benefit from an OD program of the scope proposed. Apart from the need to reallocate resources, financial and people, from our already tight budget and personnel ceilings, the still unresolved impact of any possible reorganization of the Agency would make it thoroughly impractical to consider the proposal at this time. The establishment of an OD Staff and an OD program of this magnitude would require a highly stable management situation, as well as a long-range commitment at all levels to its principles. Once we have the stability to support such a program, it would be appropriate to carefully review the OD concepts and thrust to determine if the costs in resources would provide sufficient and significant benefit to merit the diversion of funds and personnel required. It would also be appropriate to determine if Agency managers and employees are willing to accept a program of this nature. Success of such a project depends on commitment to the content and results as well as to the spirit of the idea. In the meantime, we believe the organizational development activities of the Office of Training adequately satisfy the ad hoc requirements of the Agency components interested in one or another of the individual aspects of OD.

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25X1A 4. Recommendation: Attached is a proposed response from the
Director to [REDACTED]

20 JUL 1977

Michael J. Malanick

Attachments

(Signed) F. W. M. Janney

Originator:

Director of Personnel

25 JUL 1977

Distribution:

Orig - Adse

1 - A-DDCI

1 - ER

2 - A-DDA Chrono, Subject

1 - D/Pers

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1 - DD/Pers/P&C-RS

25X1A OP/P&C/RS: [REDACTED] -typed:OD/Pers:bkf (25 Jul 77)

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ATTACHMENTS

Time has an important bearing upon the conduct and durability of an organization development effort. Unfortunately, this factor has often been underrated—if not entirely overlooked.

Time for Organization Development?

Thomas H. Patten, Jr.

Before embarking on an organization development (OD) effort, management should ask itself: Do we have time for OD? This is probably the most serious question that must be explored and satisfactorily answered before starting an OD program. Yet, curiously, most OD practitioners and writers have paid very little attention to this many-faceted question. Instead, they have concerned themselves with issues such as diagnosing problems, planning interventions, designing exercises, searching for new tools, and, occasionally, evaluating the results of OD efforts. Unfortunately, they have failed to realize that time—not technical deficiencies or shortages of innovative and stimulative intellectual thinking on how to do it—is the greatest stumbling block to the success of an OD effort.

How long should OD take?

OD efforts usually begin with a burst of enthusiasm and an implicit, if not explicit, deadline. The only solution to this problem is a shorter time frame than

soon—and certainly no longer than after a few months. But of course there is no such thing as instant OD, and various experts claim that, as a rule-of-thumb, it takes three to five years before an OD effort fully takes hold and changes a work culture.

Management-by-objectives (MBO) systems, which are commonly installed as part of an OD effort, are a prime example of ardently desired instant OD. Unfortunately, the highly touted improved results of effective MBO systems often cannot be obtained without months or years of debugging. Obviously, if this much time is required for correcting errors in an MBO installation, the time required to solve the problems arising from implementation of a broader OD effort can only be greater.

Yet top management does not always devote the necessary amount of time to an OD effort once initial enthusiasm for it has subsided (as it most certainly will after the new way of life becomes less novel and managers start to slip or regress to less satisfactory ways of coping). Many top-management groups follow one wave of fads after another with alternating degrees of enthusiasm. Thus OD, like any other new concept or social technology, can be doomed at an early stage of its life when it is no longer spearheaded and led by top management—as it should be.

Still another problem is whether time itself and the dynamics of managerial mobility in large-scale organizations will not be the undoing of OD. If OD takes three to five years for effective implementation, it may kill itself by its own glacial time frame.

For example, the number of executives who are likely to quit, transfer, retire, or be promoted in three to five years in any department or division of reasonable size within the total organization is likely to be so large that the momentum of an OD effort can be lost. In fact, excessive mobility may make OD impossible because the entity being changed and persons playing roles in it are, respectively, excessively unstable and highly career mobile. Of course, excessive mobility can have the opposite effect and actually benefit an OD effort if the people brought in have already adopted a style of management consistent with the desired results. But barring this happy circumstance, what can be done to ensure that an OD effort takes hold and accomplishes its objectives instead of regressing or stagnating because it cannot keep pace with the underlying velocity of personnel change within a firm or agency?

The only solution to this problem is a shorter time frame than OD initiation to full implementation. This

solution, however, raises yet another question: How rapidly can managers absorb change and still be effective? Somewhere there is a limit to how much can be personally handled at the social-emotional level during a given time period.

Timing and the political climate

Many organizations have severe people problems, unclear objectives, poorly designed and poorly administered pay systems, and many other serious managerial problems. Diagnosis of these conditions often shows that these organizations are not ready for OD and cannot handle it. Timing thus is a factor that cannot be ignored. If it is, improper interventions may be made and the resulting misapplications of OD because of timing errors may not only be disastrous but close out any future consideration of OD for a long period of time.

Similarly, some organizations show many signs of being ready for OD, yet implementation of the OD effort should be delayed pending a change in the political environment at the top or awaiting the passage of some other crucial event, milestone, or strategic juncture. Timing thus has both subjective and objective aspects, and both must be carefully evaluated before embarking upon OD. To be sure, OD practitioners can use various diagnostic tools that may help them in gauging the right timing; but in the final analysis, perception of timing is always intuitive. While this assertion may be anathema to the scientific mind, nevertheless many carefully planned and rational OD interventions have failed because the intervenor's antennae misread signals or misjudged the power of practical obstacles.

Allocating sufficient time for OD

Most people normally think of an OD effort in terms of a simple model involving an external change agent or consultant, an internal change agent or consultant, and the top-management group that leads the change effort. The time problems of top management have already been discussed. The time problems of external and internal change agents need to be examined next.

An external change agent or consultant is normally someone from the outside world who works with an organization to help it in its efforts to improve its managerial processes. This person may

be a commercial consultant, a university professor, or someone else who has expertise and a broad knowledge of other firms or agencies upon which he or she can draw in working with an internal change agent and top management in implementing alterations in the organizational status quo.

Because they are often poor managers of their own time, external change agents can create time problems for an OD effort; they may not allocate sufficient time for clients unless they are very clear about their own priorities and are in great control of their commitments. Perhaps it is the excitement of implementing OD that causes this poor time management. Some consultants act very much like a key in an ignition switch. That is, they insert themselves in situations and start the organizational engine running, but they can equally quickly pop themselves out of the switch and try another, believing that the first engine is now running and the second one needs a start. These consultants seem to forget that they are the key!

The key issue for the external change agent is: How much time will be taken from his or her professional life to work with one particular organization, come back as needed, and stay in touch? The most competent consultants are in high demand, and unless they watch their time schedules, they may not do the job of the change agent properly. Occasionally, in an effort to avoid time problems, they build up staffs and teams with others who provide the requested services. But turning clients over to other change agents often results in an unhappy mixing of the parties and the end of the relationship as well as the OD effort.

A related concern is dealing with external change agents who are not in demand and who have, as a result, excess time that they would like to bill to clients. These individuals may create a dependency relationship with clients and unethically suggest directions in an OD effort that are not really needed but may be personally lucrative. Thus they may not only waste excessive amounts of time for the client but actually have a negative effect both in terms of the malutilization of human and financial resources internally and in terms of creating a poor reputation for the behavioral sciences and their potential application in industry.

A still larger issue involves the sum-total of time available from competent change agents in the United States. If the charges made in recent years concerning the quality of worklife, employee alienation, executive stress, poor planning and goal setting in

organizations, and various other bits of evidence suggesting some degree of malaise or anomie are taken seriously, then there probably aren't enough capable consultants for the OD work that needs to be done. Although this may be an overstatement of the situation, certainly the time of those consultants who can have a beneficial impact on organizations should not be wasted. Instead, they should take another look at themselves to see if they are functioning either as ignition switches or as truly professional agents of change.

Internal resources and change

Internal change agents or consultants also face many serious time problems in keeping the OD effort alive, on course, and purposeful. They have the difficult job of relating to external change agents and the managerial group that is leading the OD effort as well as to the client organization as a whole. In many respects, their time is the organization's time; yet they must carve out a role for themselves within the time that is available so that an OD effort will have the desired impact.

Internal change agents must spend much of their time determining how much time managers can spend on site or off site in the seminars, workshops, and OD endeavors that will result in the desired improvements in their management styles. Much of this is "selling" time, or time used to communicate to others in a persuasive way. In addition, a portion of the internal change agent's time is allocated to planning and perhaps to acting as a group facilitator, third-party interpersonal peacemaker, problem diagnostician, and program evaluator.

However, internal change agents may not have sufficient time to carry out all these important and interrelated roles. Thus they end up being firefighters or mere links to the world of external change agents, allowing people from the latter to give their time to the change effort while they merely coordinate in a rather passive, uncritical sense. Implicit in this style of operating is intense time pressure that depresses the individual's energy and results in relatively poor professional time utilization.

A well-planned special assignment in OD can be very beneficial to a manager. But if internal change agents double in brass or wear more than one managerial hat, their time for the implementation of the OD effort is correspondingly reduced. For example, an experi-

enced, highly regarded production superintendent or a district sales manager who is removed from his regular job and is given the time to work instead as a full-time internal change agent may, by virtue of the new assignment, experience new flows of energy that he enthusiastically converts to the work itself. On the other hand, an already overly busy personnel assistant, training director, or organizational planner who is asked to take on the full OD staff role in addition may find he has no time to do a decent job. This may be called the "whirling dervish syndrome." In the latter case, the difference between success and failure is caused far less by the competence of the person than by the excessive incursions into his or her time by assigned work. In other words, he or she is overloaded.

If the internal change agents are already overburdened, they almost inevitably will have no time for research. Not only will they be short of time for planning when to do research (in either the short or long range) and for designing research components of interventions but also they will lack sufficient time for evaluative work of any kind. Such situations are almost certain to turn an OD facilitator into an interpersonal and organizational firefighter in the narrowest sense.

This is particularly unfortunate in the OD role because one of the prime models for OD is the action research model, which emphasizes data-based interventions, feedback of results, and planned change efforts. In other words, research is part of the ethic of OD. The cyclical process in action research has the cumulative effect of steadily improving the processes of managerial problem solving and decision making. Ideally, the OD facilitator who is an internal change agent should role-model what he believes to be the proper way of functioning. But this can hardly happen if he spends the bulk of his time on busy-work, however important, and no time is devoted to research and evaluation.

Lack of time for research is particularly critical for internal change agents for still another reason. They must have time to keep abreast of new developments in OD, experiment, and learn about ways that might save time for their employers in implementing OD efforts. New exercises and designs for OD are proliferating at a bewildering rate and need to be studied and tested in organizational contexts. For example, the rise of instrumentation in OD has been an important innovation and in itself represents a potential time-saver for learning in group settings. Specifically, the

use of various instruments designed to provide groups with rapid feedback about the dimensions of human behavior in managing people used to take hours or days when the main learning vehicle in OD was the T-group. Now time can be saved by using carefully designed and ingeniously insightful instruments such as team-building sessions, role-negotiation exercises, and personal-growth laboratories that emphasize risk taking. If internal change agents never had time to learn about instrumentation and new developments, additional time truly useful for OD would have been wasted. And the waste of human resources is tantamount to the waste of that second most precious resource—time.

The last reason that internal change agents need to consider time relates to some of the issues previously raised. In particular, internal change agents should be keenly aware of how much time is required to carry out an OD effort; when to terminate OD, if ever; and when to decelerate OD and key down. In order to remain attuned to the progress, successes, and failures of OD, internal change agents need time to observe, to speak to those being affected by the change effort, and to carry out research on what has been accomplished.

Every phase of OD—and even the OD effort itself (in the sense of no longer calling OD by this particular name)—probably has a termination point. Internal change agents must be able to recognize when the new way of life has been achieved and when the label OD can be dropped because it is no longer needed to describe a distinctive effort that took place at a point in time. Time has been set aside and used, and goals have been reached. While there may be new goals and new efforts, old goals and old efforts no longer govern, and one game plan, at least, has been terminated. Internal change agents must be able to recognize these facts of life and to work through a common understanding of these matters with external change agents and top management. The time dimension will provide one basis for recognition and sharing of the perception of termination.

Conclusion

The literature on organization development has been negligent in considering the implications of time and time management for OD. The various subtle ways in which time impacts on the success and failure of OD have been identified above. Of these, perhaps

the greatest time waste of all is the casting about after fads in OD, such as constantly jumping on bandwagons and mindlessly switching from T-group to team building, transactional analysis, gestalt approaches, and assertiveness training without ever taking time to evaluate what has been accomplished.

Perhaps the most serious time issue still to be resolved is whether OD can be accelerated to more quickly improve management than can now be expected in a three- to five-year period of trial. All other time problems are ancillary to this one because the bottom line in OD is improved management by a group of managers who work together in the real world. Although there can be no such thing as instant OD, new ways must be found for accelerating the process if OD is to help managers in dynamic enterprises. Identification of some of the time issues analyzed in this article can point the way. But much more must be learned about the effective and efficient administration of OD efforts, and more attention must be given to how OD time is allocated and managed before proceeding with uncritical advocacy of more OD as a good thing in general for management.

□ □ □

THOMAS H. PATTEN, JR. is a professor at the School of Labor and Industrial Relations, Michigan State University. He previously taught at the University of Detroit and was a personnel executive at Ford Motor Company. Dr. Patten has consulted on personnel management and organization development matters throughout the world and has authored more than 50 articles and four books. He received a Ph.D. degree from Cornell University. In 1972, he served as national general chairman of the OD Division of the American Society for Training and Development and continues to serve as a member of many professional organizations in the personnel field.

30 JUL 1977

25X1A

MEMORANDUM FOR: [REDACTED]
Office of Communications, DDA

FROM : John F. Blake
Acting Deputy Director of
Central Intelligence

SUBJECT : Organizational Development

REFERENCE : Your memo for the Record, dtd 20 May 77; Subject:
Establishment of Staff of Internal Organization
Development Specialists or Consultants

1. Your 20 May memorandum proposing the establishment of an Organizational Development Staff and program in the Agency has been studied along with a review of the two responses sent to you in conjunction with your employee suggestion of September 1976. In my judgment, the two earlier responses to you were not in opposition, as you suggest. Rather, the Office of Personnel properly noted the problems of establishing a Staff and a formal program, and the DDA reply detailed the OD activities already under way on an ad hoc basis. It is unfortunate that those two replies were not melded into a single response.

2. Your suggestion has obvious merit, as it would in nearly any organization. The Agency is not without interest in this matter, but right now it is very short on resources (money, people, and time) to commit to this particular effort. Nonetheless, I am certain that this suggestion will come up again, as it has from time to time since 1964, and perhaps we will be able to undertake an OD program in the future. If we make such a determination, your interest will be noted. I appreciate your continued concern about improving management.

25X1A

[REDACTED]
John F. Blake

25X1A

MEMORANDUM FOR: [REDACTED]

Office of Communications, DDA

FROM : Stansfield Turner
Director of Central Intelligence

SUBJECT : Organizational Development

REFERENCE : Your memo for the record, dtd 20 May 77; subject:
Establishment of Staff of Internal Organization
Development Specialists or Consultants

1. I have had your 20 May memorandum, proposing the establishment of an Organizational Development Staff and program in the Agency, studied by my staff. They have also examined the two responses sent to you and do not find them in opposition; rather, the Office of Personnel properly notes the problems of establishing a Staff and a formal program and the DDA reply details the OD activities which already take place on an ad hoc basis. It is unfortunate the replies were sent to you individually and were not melded into a single response.

2. There is merit in your suggestion, as noted in the replies, but I do not believe this is the time to initiate changes of the scope and nature suggested. Should there be a determination at a future time that a formal OD program is appropriate for the success of Agency management processes, your interest will be noted. I appreciate your bringing this subject to my attention.

STANSFIELD TURNER

(Signed) F. W. M. Janney

Originator:

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Approved For Release 2001/05/23 : CIA-RDP80-00473A000300080010-4

25X1A OP/P&C/RS [REDACTED] : Typed-OD/Pers:bkf (25 Jul 77)

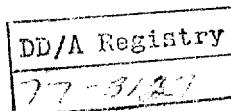
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20 May 1977

MEMORANDUM FOR THE RECORD

SUBJECT : Establishment of Staff of Internal Organization
Development Specialists or Consultants

REFERENCE: Notes from the Director No. 1

Background

1. In September 1976 I submitted an Employee Suggestion recommending the establishment of a Staff of Internal Organization Development consultants, or specialists, to provide management, from the Directorate level down through the Branch or even Section level, with internal resources for diagnostic and consultative services to any unit at any level for those areas of management that fall within the scope of Organization Development. Some of the areas that typically fall within the scope of OD are: action research; survey and feedback; organizational renewal; team building; affirmative action; vertical and lateral communications; conflict management; role clarification, role negotiation, job enrichment; career planning; interpersonal competence acquisition; and MBO.

2. I feel in retrospect that I chose the wrong forum, in that my intent was to propose an idea or concept for management to consider for development into a dynamic management process tool. I had no thoughts or desire to quantify or try to relate the concept to the traditional monetary reward format with which most employee suggestions are processed.

Critique and Clarification

3. After reviewing the evaluations of my Employee Suggestion #77-93 I am convinced not only of the applicability but the need for a dynamic management tool such as an internal staff of organization development specialists. The two evaluations of my suggestion, one by OP and one by DDA, were completely at odds in their perceptions of Organization Development. OP based their response on the premise that

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OD is only applicable in a centralized form of management whereas the DDA response assumed the premise that its applicability is to decentralized management. OD is in fact used in industry and the federal government in both managerial cultures. Organization Development is a dynamic process, providing a mechanism to continually sense and assess an organization's culture and ascertain if there is a need for change and if so, what change. There are several premises on which OD is based, two are: that there is always room for improvement or adjustment in an organization; and given that the external world is constantly changing, it is better to deal with change as an ongoing dynamic process rather than waiting for problems to develop or a crisis to arise and then resorting to corrective or catch-up action.

4. Warren Bennis (president, University of Cincinnati) and Wendell French (professor, University of Washington) define Organization Development as a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management of organizational culture, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research. It is a complex educational strategy intended to inculcate or reinforce beliefs, attitudes, values, and structures of organizations to enable them to better adapt to new technologies, markets, requirements, challenges, and the dizzying rate of change itself.

5. The DDA evaluation adequately refutes the OP evaluation, and on the whole presents more supportive data to the suggestion than it does data to support its recommendation to decline the suggestion. Some examples are: "systematically apply behavioral science principles--to improve the extent to which the organization accomplishes its goals or carries out its mission"; "OD is a dynamic process providing a mechanism to continually recognize and reduce deficiencies--on the premise that however effective and organization may perform, it could be improved"; (can't we improve?) "Although OD concepts are applicable for large organizations, such as the CIA, the focus of OD is usually toward components such as Offices, Divisions, or Branches. (exactly what I suggested)

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"The consultant (their assumption is external, my suggestion is internal) works with organizational members in identifying key problem areas (e.g., group interaction, lateral communications), what changes are desired, how change should be implemented, and how resultant change should be assessed." "OD is consistent with a decentralized form of management such as that within the Agency."

6. The evaluation then proceeds to identify several individual things the Agency does, "consistent with the basic tenets of OD" e.g., attitude surveys, the creative leadership seminar (under development), the Levinson seminars, the Managerial Grid course, assessment centers, MBO. The closing paragraph starts with "In conclusion, the framework for an OD effort already exists within the Agency."

7. Many of these same areas and problems are identified in the report on two seminars on Creativity and Ethics in CIA published by the Center for the Study of Intelligence, OTR.

8. Some of the issues raised by the Seminar on Creativity and Ethics in CIA (17-18 January 1977) are those that lend themselves to an Organization Development effort and demonstrate that senior level officers of the Agency recognize the need for improvement, adjustment, and change. Some examples are:

- a. better vertical and cross-Directorate communications in CIA;
- b. elimination of the bureaucratic isolation of office-level components across Directorates;
- c. clarification of the aims, goals, and purposes of the Agency;
- d. stressing those parts of MBO perceived as lacking in the Agency, i.e., sense of participation and better vertical communications;
- e. clarification of expectations;

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SUBJECT: Establishment of Staff of Internal Organization
Development Specialists or Consultants

- f. broadening of decision making process;
- g. more interdisciplinary and team approaches;
- h. Better recognition of creative initiatives;
- i. better feedback, i.e., more;
- j. zero-based management review of organizational tasks, methods, and management processes.

9. In conclusion, I would address the prevalent myth that OD is only practiced by Organizational Psychologists. The US Army develops its own internal OD specialists for its current programs in MILPERCEN, DESPERS, FORSCOM, and 82nd Airborne to name a few I'm personally aware of. The US Navy does much the same thing for its Human Resource Development centers. Most of those entering the field of Organization Development as practitioners are now coming out of graduate programs in OD. There is a growing number of Federal employees moving into the field of OD through the two local graduate programs at American and George Washington Universities. There is an informal network of practicing OD specialists representing 9 or 10 different agencies that meet monthly under the sponsorship of the CSC. The Bureau of Navy Personnel is currently in the process of establishing a job description for organization development specialists. The development of our own staff of internal organization development specialists would require the assistance of an external Organization Development Consultant with experience in helping to establish an Internal Staff. There are many prominent OD consultants 25X1A with the capabilities and commensurate experience.

Attachments:

- A - Employee Suggestion #77-93
- B - OP Evaluation
- C - DDA Evaluation



TO WHOM IT MAY CONCERN

Att A

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THE ACCEPTANCE BY ME OF A CASH AWARD FOR THIS SUGGESTION SHALL CONSTITUTE AN AGREEMENT THAT THE USE OF THE SUGGESTION BY THE UNITED STATES SHALL NOT FORM THE BASIS OF A FURTHER CLAIM OF ANY NATURE UPON THE UNITED STATES BY ME, MY HEIRS, OR ASSIGNS.

25X1A

DATE

3 September 76

NAME OF SUGGESTER

☒ MR.☐ MRS.☐ MISS

POSITION TITLE

Contracting
Officer's Tech Rep

GRADE

GS-09

ROOM

BUILDING

OFF/DIV/BRANCH

OC-E/CED/CEB

TELEPHONE

IF CONSULTATION IS REQUIRED, MAY WE
REFER YOUR NAME TO THE EVALUATOR?☒

YES

NO

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TITLE OR SUBJECT OF SUGGESTION

Establishment of Internal Organization Development
Consultants

SUGGESTION NO.

77-93

PRESENT METHOD

N/A

I SUGGEST

My suggestion is that the Agency establish a unit to provide diagnostic and consultative services as an internal resource in the areas of organizational development. Such a staff could be easily incorporated either into the Office of Training or as a separate staff of the DDA. An Organization Development Staff could provide internal resources for diagnostic and consultative services to any organizational unit within the Agency relating to any of those areas that fall within the defined areas of Organization Development, e.g., action research, feedback, interpersonal competence acquisition, organizational renewal, team building, conflict management, role negotiation, role clarification, and job enrichment; and those areas of MBO (which are inherently self-defining as areas of Organization Development) which require collaborative teamwork in order to make Management by Objectives a viable form of management. (Continued next page)

ADVANTAGES

N/A

FORM 244
(7-67)USE PREVIOUS
EDITIONS☐ SECRET

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I have developed the feeling in reading staff notes at the directorate level that there is a desire within the Agency to better establish collaborative efforts at the interoffice level within a directorate to work more effectively and more cohesively as an organizational unit rather than as many subunits autonomous unto themselves, finding themselves in a position of having a somewhat nebulous idea of their responsibilities or commitments to a total organizational goal or effort. Having an internal staff that could provide internal resources to diagnose and to consult to the organizational questions that fall within Organization Development could be useful at many levels of the Agency; at the total organizational level (interdirectorate level), within a particular directorate at the interoffice level, or within an office at the interdivision or the interbranch level. It could also be applicable within a branch working with first and second line supervisors and managers to establish a more effective work unit that could identify with organizational goals and objectives beyond that of their branch.

Organization Development efforts are spreading quickly throughout the Federal Government. Some of those of which I am aware begin in the Civil Service Commission itself and are found also in the General Accounting Office, in the Social Security Administration, in the National Institutes of Health, in the Interior Department, in the Human Resources Development Section of the Navy, in several divisions of the Army at the active duty military level, in the Housing and Urban Development Department, in the Internal Revenue Service, in the Federal Aviation Administration, in the Federal Housing Loan Bank Board, in the Postal Service, in the Bureau of Engraving and Printing, and in the State Department.

The main thrust of any area of Organization Development goes beyond the cognitive level to the process level, assuming that almost all organizations are technically competent to achieve the tasks that are theirs with the personnel that they have but frequently are not able to work together in the most efficient manner. And it is those problems of effectively utilizing and managing their human resources that get in the way of accomplishing the overall goals and objectives of the organization. By providing an internal staff of Organization Development Consultants that could be available to any manager at any level within the Agency, it would allow any level manager to deal with his human resources from the perspective of planning and on-going management as opposed to waiting for a potential problem to become self-evident and problematic resulting in what is more commonly known as fire-fighting.

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SUGGESTION EVALUATION REPORT

OP

TO: Executive Secretary
Suggestion Awards Committee

SUGGESTION NO.

77-93

SUSPENSE DATE

INSTRUCTIONS: Please complete this form in detail to guide the Suggestion Awards Committee in making a final determination of the merits of this suggestion. Retain third copy.

1. ACTION RECOMMENDED ☐ ADOPT ☒ DECLINE ☐ OTHER (Specify):

2. REASONS FOR RECOMMENDATION (If more space is needed, use plain paper)

This is a suggestion for top management (Agency or Directorate) consideration and we would suggest it be sent to the DD/A for review and recommendation, if thought feasible, to the EAG. We do not believe, as suggested on the routing, that a poll of DDA offices would serve any purpose.

The establishment of an Organizational Development Staff would normally be follow-on of a Management Staff with oversight responsibilities. It assumes centralized management, a structure for following objectives at the organization level instead of office or unit, delineation of performance criteria reflective of the objectives established, et al. Support for this type of organization does not now exist in the Agency. Should the Agency management evolve into a centralized system, this type of staff responsibility would be a natural development.

In reviewing this suggestion, however, we believe the following comments are pertinent in an evaluation should OD Staffs be established in the future. The concept stated herein is attractive but falls short of being something that can be implemented as we now function. The proposal does not consider how the suggested OD Staff would be recruited and trained. It does not address whether the Staff should be located at the Agency or Directorate level. It does not provide an answer on how to establish credibility for the Staff with the managers it is to help. It does not lay out the cost-benefit calculus that would permit one to evaluate the suggestion. It does not define the need except in the nebulous terms of the desirability of a cooperative effort to solve problems, always a valid idea.

Should the Agency or a Directorate in the future go the route of an OD Staff, we do not believe it would be in response to this suggestion, but rather as a step in evolving management concepts. The OD Staff, as noted above, is a natural development of a centralized approach to management.

3. TANGIBLE FIRST-YEAR SAVINGS (Man-hours, material, equipment, etc.)

4. INTANGIBLE BENEFITS (See guide on reverse side of third copy)

5. WHAT OTHER OFFICES, DIVISIONS, ETC. MIGHT ALSO USE THIS IDEA?

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SUBJECT : Employee Suggestion No. 77003

ACTION RECOMMENDED: Decline

REASONS FOR RECOMMENDATION:

1. "Organization development" is the means by which members of an organization identify their organizational deficiencies and systematically apply behavioral science principles toward reducing them in order to improve the extent to which the organization accomplishes its goals or carries out its mission. Classically, OD is a dynamic process providing a mechanism to continually recognize and reduce deficiencies--on the premise that however effective an organization may perform, it could be improved.

2. There is no specific "OD System," only a body of principles to guide the process. There are as many OD models as there are OD applications. Although OD concepts are applicable for large organizations, such as the CIA, the focus of OD is usually toward components such as Offices, Divisions, or Branches. An organization would usually enter into an OD program with the help of an Organizational Consultant (generally a Management Psychologist). The consultant, after observing the organization in action, works with organizational members in identifying key problem areas (e.g., group interaction, lateral communications), what changes are desired, how change should be implemented, and how the resultant change should be assessed. An important part of organization development, particularly in its initial stages, is a training program tailored to the individual needs of an organization.

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3. In summary, OD is consistent with a decentralized form of management such as that within the Agency; it is more effective within components or subcomponents than it is at large organizational levels; and, it requires the full support of the component manager and the participation of its members. On the other hand, there is no guarantee that OD, however carefully it is applied, would improve the effectiveness or productivity of an organization. (Research has revealed that some organizations are more productive and their members more satisfied in an authoritarian environment than in one which is participative.) It should also be emphasized that OD specialists--qualified for consulting and diagnosing organizational problems--are rarely found in Government service.

4. Additionally, the Agency, particularly in the last few years, has made (and continues to make) definite strides toward improving its effectiveness, which while consistent with the basic tenets of OD, are not specifically labeled "organization development." The following is a sampling of such activities:

a. The recent attitude surveys, enabling Agency management to identify problem areas and attitudes in order to concentrate attention on areas of need.

b. Training programs, which include: courses to improve technical competence as well as courses designed for individual improvement; supervisory development courses; a new leadership seminar (under development) which will include specific OD principles; a seminar offered to senior management conducted by [REDACTED] (who is a Psychologist, an academician, a management consultant, and an advocate of OD), and most importantly, the Management Grid course which represents a preliminary stage of organization development.

c. The Agency employs a Management Psychologist (attached to OMS, and temporarily assigned to OTR, to assist in the development and teaching of management training courses). The Agency Psychological Services Staff (OMS), in addition to various OTR faculty members, are available to provide guidance or consultation on a variety of managerial or organization development topics.

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5. Other endeavors toward this end include the MBO Program (particularly within the DDA), programs in virtually all Directorates to improve the communications process, the assessment centers (conducted with the assistance of OMS), and the individual training workshops which are available through OTR.

6. In conclusion, the framework for an OD effort already exists within the Agency. Organization development concepts are being utilized by the Agency and numerous Agency employees have been exposed to them through the various programs cited above. Should components wish to pursue OD to the point of developing a specific program, a mechanism exists by which to do so. In this respect, I recommend that this suggestion be declined.

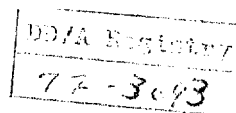
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BACKGROUND

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17 June 1977

MEMORANDUM FOR: Deputy Director of Training

FROM :

[REDACTED]

SUBJECT : Organizational Development (OD) (U)

Don:

1. (AIUO) Attached is the material on its way to the DCI concerning the use of OD in the Agency. As I mentioned to you we need some type of comment and Mike decided it would be better to forward as it goes up through channels rather than wait until we are asked to respond.

2. (C) I will have to put a fairly short deadline on this since it must go on its way quickly. I would like to have the answer back from you for Mike's review by the COB on 23 June. If this deadline will give you any trouble, please give me a call. I will be going to [REDACTED] on 25X1A noon Wednesday for about a day and a half with two panels.

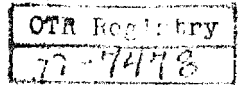
25X1A

[REDACTED]

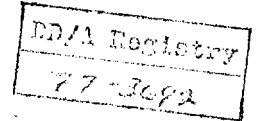
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22 JUN 1977



MEMORANDUM FOR: Associate Deputy Director for
Administration

FROM: Harry E. Fitzwater
Director of Training

SUBJECT: Organizational Development (OD) (U)

1. (U) I find very little to add to the attached discussion of the promises and pitfalls of OD. Embarking on an OD effort is not a decision to be made lightly. It is a long-term process requiring strong and continuing management support. OD demands a high level of commitment from its participants. Once initiated, it does not always lead to results deemed "best" by supervisors, managers, and executives. The process rests on an open, communicative, non-evaluative, non-defensive attitude on the part of participating supervisors and managers. In short, OD efforts hold forth no promise of a quick fix for organizational ills.

2. (U) The results achieved from carefully planned, implemented, and strongly supported OD efforts are at the heart of the continued appeal of the process. For that reason, the Office of Training (OTR) and Office of Medical Services (OMS) have developed and will, to the extent possible, maintain a low key OD capability. The jointly conducted Program on Creative Management is a part of this capability as is the Assessment Center approach sponsored by Psychological Services Staff. The OTR Senior Seminar has also employed OD techniques in several of its runnings. OTR has four individuals capable of handling the OD consultants' role. Our expectation is that these resources will be used in those instances where OD promises benefit. We believe they will most likely occur at the Branch and Division level within the Agency. We are not initiating OD efforts. We have a capability which can respond to OD-like requirements should they surface.

E2IMPDET
CL by: 308235

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SUBJECT: Organizational Development (OD) (U)

25X1A

3. (C) You might find it useful to discuss OD with [REDACTED] Information Services Staff/DDO (ISS). As you may recall, ISS sponsored an employee survey conducted by Psychological Services Staff. Based on survey results, ISS embarked on a variety of efforts aimed at, among other things, improving communications within the staff. The whole ISS project is, in many ways, a classical OD activity.

25X1A

[REDACTED]
Harry E. Fitzwater

Attachment:
As stated

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Registry

77-4009

13 JUL 1977

MEMORANDUM FOR: Deputy Director for Administration

FROM : [REDACTED]
Director of Personnel

SUBJECT : Organizational Development

REFERENCES : (a) Employee Suggestion 77-93
(b) OP comments on reference (a)
(c) DDA comments on reference (a)

1. This memorandum has been prepared at the request of the ADDA and is forwarded for information.

2. The Office of Personnel's response to Suggestion 77-93 was directed to the proposal for the establishment of an Organization Development Staff and our belief that such a Staff could only successfully function where there was centralized Agency or Directorate support for the institutional management objectives of the program including a commitment of resources. The DDA response and the 22 June OTR memorandum, on the other hand, addressed what the Agency is presently doing, ad hoc, along general OD lines. We do not read these responses as in conflict. We also see OTR's responses as reinforcing the thrust of OP's position for the level and kind of support required for a comprehensive program such as proposed by [REDACTED]

3. There has always been a good deal of mystique surrounding OD, much of it engendered by the language used to describe it. An example is the textbook definition given by the suggestor.

"OD is a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management of organizational culture, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research."

In more simple terms, OD is the systematic manner in which an organization's problems are diagnosed and treated, with the goals of making that organization an ideal one for both management and employees.

4. Almost any literature on the subject of OD emphasizes its only chance of success is the solid commitment to OD principles at all levels of management and employees, and includes an equal commitment of time, personnel and finances. We have attached a copy of an article from the March - April 1977 Personnel publication on OD, which makes the point that time is the greatest stumbling block to the success of the OD effort--and that it takes three to five years before an OD effort fully takes hold and changes a work culture. Time, further, is only one factor in the implementation of an OD program.

STATINTL

STATINTL

5. Agency records reflect the original suggestion that CIA undertake an Organizational Development Program dates back to 1964. At that time the Agency entered into a contract with [REDACTED] of Austin, Texas for the purchase of the Managerial Grid. The Grid was the first of a six phase program sponsored by [REDACTED], which in its entirety was an OD program. For numerous reasons, mainly time (five years) and funds (\$500,000), the Agency's top management chooses not to make the commitment for the total package. We "bought" the first phase only (Grid) and that program has continued as one of the more popular courses given in the Agency. STATINTL

STATINTL

6. The points contained in the Director of Training's memorandum of 22 June 1977 summarize the current efforts and list the capabilities existing in the Office of Training and elsewhere in the Agency for the handling of OD type problems. This has been going on for several years. In 1973-74, OTR hired an MBO and OD expert, [REDACTED]. His efforts in CRS, involving over 70,000 man-hours, to improve the effectiveness of that organization, is an example of what can be done, in-house, when internal resources are available and utilized. It also points out the time frame and resources required.

7. We continue to believe, as noted out in our original comments, that OD presents many attractive aspects, apart from the academic viewpoint expressed by the suggestor. We also believe that the establishment of a Staff responsible for OD on a Directorate or Agency level would be a natural step in evolving management concepts. Success of such a project depends, however, on commitment to the content as well as the spirit. Note the first paragraphs of OTR's 22 June memorandum. The successful establishment of a formal OD Staff for the purpose of identification, study, analyses, and finally treatment of the problems, would require top management support and the provision of the whole package of resources required. Only senior management is in a position to determine that the state of management

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in the Agency is ready and in a position to benefit from an OD program of the scope proposed, and if the need warrants the necessary diversion of funds and personnel from other programs.

8. It should be noted that the Office of Personnel's response to the suggestion was inadvertently marked "decline". As seen from the substance of the comments the recommendation should properly have been "other". While pointing out the problems we saw in the suggestion, including the lack of any specifics for implementation, it was recommended the suggestion be referred to DDA for further review and comment.

 STATINTL

P. W. M. Jarney

Att.

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SENDER WILL CHECK CLASSIFICATION			
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OFFICIAL ROUTING SLIP			
TO	NAME AND ADDRESS	DATE	INITIALS
1	Acting Deputy Director for Administration	7/25	ly
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FROM: NAME, ADDRESS AND PHONE NO.			DATE
Director of Personnel			25 JUL 1977
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